

FISCAL YEAR 2007-2008

SCRAP TIRE REGULATORY PROGRAM

**Scrap Tire Market Development Grant
Application for Funding**



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Waste and Hazardous Materials Division
Michigan Department of Environmental Quality

MDEQ Internet Web Site Address: <http://www.michigan.gov/deq>

EQP5155 (Rev 08/07)



**Michigan Department of Environmental Quality
Waste and Hazardous Materials Division**

Scrap Tire Market Development Grant Program

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**Michigan Department of Environmental Quality
Waste and Hazardous Materials Division
Scrap Tire Market Development Grant Program**

INTRODUCTION

In December 2006 amendments were made to Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA). Section 16908(3) of Part 169 authorizes the Michigan Department of Environmental Quality (MDEQ) to issue reimbursement grants for the following:

- Not more than \$500,000 each year for grants to reimburse the cost of purchasing scrap tires to support the development of increased markets for scrap tires. Only the cost of purchasing scrap tires from Michigan scrap tire processors or other generators of scrap tires in Michigan is eligible for reimbursement.
 - A “scrap tire” is defined as a tire that is no longer being used for its original intended purpose including, but not limited to, a used tire, a reusable tire casing, or portions of a tire.
 - Cost reimbursement grants are available for 50 percent of the cost of purchasing scrap tires. Reimbursement cannot exceed \$50 per ton.
 - Cost reimbursement grants are available for up to 50 percent of the cost of purchasing equipment, or for research and development, to provide for a new or increased use for scrap tires.

The MDEQ, Waste and Hazardous Materials Division (WHMD), is now accepting applications for funding scrap tire market development projects from eligible public and private entities. A Letter of Interest application form and Market Development Grant Program Funding Application form are included in this packet. This packet is provided to satisfy the requirements in Section 16908(4) of Part 169, which states applications for grants shall be submitted on a form approved by the MDEQ and containing the information required by the MDEQ.

Submission of a complete application does not guarantee that the applicant will receive a Scrap Tire Market Development Grant (Grant), as this process is highly competitive.

APPLICATION PROCESS

ELIGIBILITY CRITERIA

1. The applicant must first submit a **Letter of Interest, EQP5154 (08/07), and be approved** in order to submit a full application for funding.
2. After the applicant's Letter of Interest is approved, the applicant must submit a **complete** application EQP5155 (Rev 08/07) that has been postmarked by the application deadline. A complete application is described below in the section titled "Required Application Components."
3. The applicant's project must demonstrate new or increased uses of scrap tires in manufactured products, such as modified asphalt, molded or extruded rubber products, or aggregate replacement materials, or be for the research and development of methods to increase the use of scrap tires.
4. Scrap tires must be purchased from a Michigan processor or other Michigan generator of scrap tires.
5. Grants are available for up to 50 percent of the cost of purchasing equipment, or for new research and development. The applicant must commit to at least 50 percent of the total project amount, in cash. In-kind services are not allowed as part of the match, but will be considered during the application evaluation process.
6. The applicant must submit documentation of the property owner's permission for the applicant to do business at that location and a scrap tire collection site registration application, fees, and bond, if applicable.
7. The applicant must not be in litigation with the state or any other public entity concerning compliance with Part 169 or Part 115, Solid Waste Management, of the NREPA. If an applicant has been ordered to pay fines and/or penalties for previous violations of the Part 169 or Part 115, all penalties/fines must have been paid in full.
8. Applicants requesting funding for scrap tires or equipment must submit documentation that the technology to be utilized in the proposed process is beyond the research stage and that a demonstration has indicated the proposed process is technically feasible for full-scale production. (Not applicable for applicants requesting funding for research and development.)
9. The project must be located in Michigan.
10. The applicant must be registered to do business in Michigan and provide a Corporate ID# or be a governmental entity.
11. When needed, grantees must use a Michigan Scrap Tire Processor. A list of Michigan Scrap Tire Processors is available on the MDEQ Web site at <http://www.michigan.gov/deg> (click on "Waste" and "Scrap Tires" and look under the "Information" tab and "Lists of Facilities" tab headings, then click on "Scrap Tire Processors"). Prior to issuance of a contract for Grant funds to clean up tires, the grantee will need to demonstrate to the MDEQ that the selected scrap tire processor(s) meet the following conditions:
 - The processor is authorized to do business in and is located in the state of Michigan and must possess all the required permits, registrations, and/or licenses required by law. The processor must demonstrate the capability to process the scrap tires that will be purchased by the applicant.
 - The processor has agreed with the applicant to supply the grantee with scrap tires from Michigan.

EVALUATION CRITERIA

The funding of scrap tire market development projects must be prioritized due to the limited amount of available funding under Part 169. This solicitation is anticipated to be extremely competitive. The evaluation criteria set forth in this application package have been developed to allow the WHMD to identify those proposals that most completely demonstrate the applicant's ability to successfully implement a scrap tire market development project. Since a variety of market development projects will be submitted, all eligible applications will be independently evaluated based on how well they address the evaluation criteria for their project.

Each letter of interest and full application will be evaluated by WHMD staff using criteria as follows.

(NOTE: The descriptions following are brief and designed to provide a general explanation of the criteria that will be considered and the typical components of those criteria.) The order of the listed criteria is not intended to indicate relative weight placed on individual criteria.

- The amount of scrap tires, in passenger tire equivalents (PTEs) or tons (see page 9, #8) to be used in developing the project/product using Michigan tires.
- The project must demonstrate a new or increased use of scrap tires. Projects will be evaluated based on the total number of tires used compared to the cost of the project, or the cost per tire.
- Project must be feasible and market oriented.
- Project must demonstrate viable markets for the proposed product. For example, a signed contract or letter of expression of interest from a user of the product.
- Research and development Grant applicants must provide data or other documentation to show that the project is for new research and how the project will expand the market for scrap tires in Michigan (see page 14, Section 2, Item F). Salaries of individuals are not eligible for Grant funding.
- Applicant must demonstrate commitment to project by providing a complete business plan and by providing the amount the applicant has invested in the project.
- Applicant's overall compliance with Michigan environmental laws, rules, and regulations.

Priority will be given to:

- Applications requesting capital expenditures for equipment over research and development.
- Projects that demonstrate the technology is transferable and could produce a broad benefit.
- Projects that utilize scrap tires rather than a commodity.
 - A commodity is defined as crumb rubber, tire chips, a ring or slab cut from a tire for use as a weight, or a product die cut or punched from a tire. These products are categorized in statute as a "commodity" because they already have markets and uses associated with them.
- Projects that demonstrate long-term sustainability.
- Applicants who are part of an established business as opposed to applicants who request funds for start-up costs.
- Applicants who are expanding a current product line as opposed to creating a completely new untried product.

- Financial capability and financial viability of the project.
- The value of the end use of the scrap tires (e.g., the scrap tires will be used to make a product as opposed to using scrap tires as alternative daily cover in a landfill).

REQUIRED APPLICATION COMPONENTS

A separate application must be submitted for each proposed market development project. All information submitted in the application must be current.

Letter of Interest:

To be considered for funding, applicants must first submit a **complete** Letter of Interest (LOI), page 8, no later than **October 15, 2007**. Approved applicants will then be invited to submit a full application.

Full Application:

To be considered complete, an application must include all of the components listed below. Incomplete responses may result in a determination that the application is incomplete and, therefore, not eligible for funding. **Applicant signatory on page 9 of the Grant application MUST be signed.**

- All applicants must complete the application on page 9 and the required application components on pages 11-12.
- If funding is requested ONLY for scrap tires, pages 9 and 11-13 must be completed.
- If funding is requested ONLY for equipment and/or research and development, pages 9, 11-12, and 14-15 must be completed.
- If funding is requested for scrap tires AND equipment and/or research and development, pages 9 and 11-15 must be completed.

Application Component Checklist

Component	Page Number in Application	Complete?
Grant Program Funding Application, EQP5155	Page 9	
Required Application Components	Pages 11-12	
Executive Summary	Scrap Tires: Page 13 (Item 1)	
	Equipment/R&D: Page 14 (Item 1)	
Project Description	Scrap Tires: Page 13 (Item 2)	
	Equipment/R&D: Page 14 (Item 2)	
Budget Information (Including Attachment A - Page 16)	Scrap Tires: Page 13 (Item 3)	
	Equipment/R&D: Page 15 (Item 3)	

Full applications are due January 2, 2008.

APPLICATION SUBMISSION INFORMATION

The MDEQ must receive all LOIs postmarked no later than **October 15, 2007**. Proposals received after this deadline will not be evaluated. The LOI must be completed and in final form.

The original plus two copies of the LOI and narrative must be submitted. The original LOI form must be signed as indicated.

All questions regarding application preparation and submission should be directed to staff of the Scrap Tire Regulatory Program (Program) at 517-241-2924.

The LOI must be mailed or delivered (no faxes or e-mails) to:

Scrap Tire Regulatory Program
Waste and Hazardous Materials Division
Michigan Department of Environmental Quality
P.O. Box 30241
Lansing, Michigan 48909-7741

Overnight mailing address:
Constitution Hall, Atrium North
525 West Allegan Street
Lansing, Michigan 48933

Information provided in the application must be formatted to correspond with the application instructions. Headings and numbering of responses must be consistent with the headings and numbering used in the instructions. Pages within the application must be numbered. The actual forms, or photocopies of the forms, as found in this application package, must be used.

APPLICATION REVIEW PROCESS

LOIs and full applications for funding will be reviewed and prioritized by a review committee based on the evaluation criteria indicated above. The review committee will consist of WHMD staff.

In the initial evaluation, staff determines whether the LOI and narrative descriptions are complete and meet the requirements of Part 169. The criteria considered in the staff evaluation are described on pages 2 and 3. After the initial review of each LOI is complete, staff will make recommendations of applicants who will be invited to submit a full application. There will be no discussion regarding the LOI between WHMD staff and applicants during the evaluation process. Applicants will typically be notified in November 2007 if they will be invited to submit a full application.

Applicants who are approved to submit a full application must submit to the MDEQ a complete application postmarked no later than January 2, 2008. There will be no discussion regarding the application between WHMD staff and applicants during the review of the full applications.

After staff completes their initial review of each full application, they will develop a written evaluation. Based on this evaluation, an initial staff recommendation of applicants approved for funding will be created. A final WHMD staff funding recommendation will then be developed for each application. The final prioritized listing will be approved by the Chief of the WHMD. The recommendations will be presented to the MDEQ Director. It is anticipated that the MDEQ Director will be making final funding recommendations in late February 2008. The Grants that are over \$25,000 will be reviewed by the State Administrative Board (SAB). Once those have been approved by the SAB, the list of awarded Grants will be announced in a press release and made available on the MDEQ's Internet site.

Applicants will be notified in writing of the decision regarding their applications. Evaluation information concerning an application will be available upon request. If eligible, unsuccessful applicants may reapply in future Grant cycles subject to legislative appropriation of funds.

The MDEQ is not obligated to award a Grant or to pay any costs incurred by the applicant in the preparation and submission of their application.

CONTRACT REQUIREMENTS FOR APPROVED APPLICANTS

Approved applicants will be required to enter into the standard MDEQ Grant contract. The MDEQ boilerplate Grant contract language is available on the MDEQ Web site.

The original application becomes part of the Grant contract. The contract will stipulate a project period during which the project must be completed and all expenditures must be made. Successful applicants (Grantees) must be prepared to agree to the following minimum contract conditions:

- All projects funded must commence prior to September 30, 2008, and must proceed in a continuous manner. Typical projects must be completed within 18 months of the start date.
- All Grantees will submit documentation (i.e., cancelled check or invoices) to the MDEQ that their vendors have been paid PRIOR to receiving reimbursement from the Grant Program. Equipment must be installed and operating and will be subject to MDEQ inspection.
- If an application is for scrap tires only, the applicant will be required to submit documentation that the selected scrap tire processor(s) meets all of the requirements listed in Item 11 on page 2 (Eligibility Criteria) of this application package, prior to entry of a Grant contract.
- The Grantee and all contractors, subcontractors, processors, other scrap tire generators, etc., must operate in compliance with all applicable laws and the Grant contract. Certain provisions contained in the Grant contract may preclude various entities from receiving Grant funds.
- The MDEQ will reimburse the cost of purchasing scrap tires but shall not exceed a reimbursed cost of \$50 per ton.
- The MDEQ will reimburse Grantees for up to 50 percent of the cost of equipment and/or research and development.
- The Grantee acknowledges that it is a crime to knowingly and willingly file false information with the State for the purpose of obtaining this contract or any payment under the contract, and that any such filing may subject the Grantee, its agents, and/or employees to criminal and civil prosecution and/or termination of the Grant.

Conflict of Interest: No government employee, or member of the legislative, judicial, or executive branches, or member of the Grantee's Board of Directors, its employees, partner agencies, or their families shall benefit financially from any part of this contract.

Debarment and Suspension: By signing this contract, the Grantee certifies to the best of its knowledge and belief that it, its agents, and its subcontractors:

- (1) Are not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by any federal department or the state.
- (2) Have not within a three-year period preceding this contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, as defined in Title 45 of the Code of Federal Regulations, Part 1185, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

- (3) Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in subsection (2).
- (4) Have not within a three-year period preceding this contract had one or more public transactions (federal, state, or local) terminated for cause or default.
- (5) Will comply with all applicable requirements of all other state or federal laws, executive orders, regulations, and policies governing this program.



MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
WASTE AND HAZARDOUS MATERIALS DIVISION

FOR STATE USE ONLY

Date Received

Application Number

LETTER OF INTEREST FOR SCRAP TIRE MARKET DEVELOPMENT GRANT PROGRAM FUNDING - FISCAL YEAR 2007-2008

For additional information, contact the Michigan Department of Environmental Quality, Waste and Hazardous Materials Division, Storage Tank and Solid Waste Section, at 517-241-2924.

Applicant Name:	
Street Address:	
City/State/ZIP:	
Michigan Corporate ID#:	
Project Location (if different than above):	
Telephone Number:	E-mail address:
Contact Person:	
Funding Requested for: Scrap Tires <input type="checkbox"/> Equipment <input type="checkbox"/> Research and Development <input type="checkbox"/>	
Funding Requested/Project Cost:	
1. Amount of funding requested for scrap tires only:	\$.00
2. Amount of funding requested for equipment and/or research and development:	\$.00
3. Total amount of grant funding requested (to be REIMBURSED to the grantee) (= lines 1 + 2):	\$.00
4. Total amount of matching funds committed by applicant (only required for equipment and/or research and development):	\$.00
5. Total project cost (total amount of funding requested AND matching funds committed):	\$.00
Eligibility Criteria: Your responses to the following questions will determine your eligibility as outlined on Page 2 of grant application packet. You must be able to answer "yes" to all the following in order to be further considered for funding. Please check yes or no for each of the following questions:	
Yes	No
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
The project will result in new or increased uses of scrap tires in manufactured products. Scrap tires are from Michigan and will be purchased or obtained from a Michigan processor or other Michigan generator. Applicant is not currently in litigation with the state or any other public entity concerning compliance with Part 169, Scrap Tires, or Part 115, Solid Waste Management, of the NREPA, 1994 PA 451, as amended. Project is located in Michigan Applicant is registered to do business in Michigan Applicant has reviewed all eligibility criteria and evaluation criteria contained in the grant application packet.	
Narrative Description: Please attach no more than 2 pages describing the following:	
Scrap Tire Funding: Describe the method used to process scrap tires and the end use of the processed scrap tires.	
Equipment and/or Research and Development: Please include a detailed sketch or diagram that illustrates existing process or related equipment, the new process, and modifications and/or equipment proposed as part of your project; a proposed project time line and the following: <ul style="list-style-type: none"> • A brief summary of the project. • Why the project should be funded. • A projected quantity of scrap tires to be used in the project and where the scrap tires will come from. 	
APPLICANT SIGNATORY	I, the undersigned applicant, swear and affirm, under penalty of law, that the statements contained herein are true and correct and that the removal, transportation, storage, and disposal of scrap tires will be performed in accordance with the requirements of Part 169. I certify under penalty of law that the information contained on this form, to the best of my knowledge and belief, is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of a fine and imprisonment.
	PRINT NAME _____
	SIGNATURE _____ DATE _____
PLEASE SUBMIT COMPLETED LETTER OF INTEREST AND ALL ATTACHMENTS TO:	
Scrap Tire Regulatory Program Waste and Hazardous Materials Division Michigan Department of Environmental Quality P.O. Box 30241 Lansing, Michigan 48909-7741	Overnight Mailing Address: Constitution Hall, Atrium North 525 West Allegan Street Lansing, Michigan 48933

EQP5154 (08/07)



**MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
WASTE AND HAZARDOUS MATERIALS DIVISION**

FOR STATE USE ONLY

Date Received

Application Number

**SCRAP TIRE MARKET DEVELOPMENT
GRANT PROGRAM FUNDING APPLICATION - FISCAL YEAR 2007-2008**

Completion of this application is required for funding under the Scrap Tire Market Development Grant Program, Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended.

For additional information, contact the Michigan Department of Environmental Quality, Waste and Hazardous Materials Division, Storage Tank and Solid Waste Section, at 517-241-2924.

1. Applicant Name:	
2. Street Address:	
2a. City/State/ZIP:	
3. Project Location (if different from above):	
4. Telephone Number:	
5. Contact Person:	
6. Michigan Corporate ID#:	
7. Funding Requested for: Scrap Tires <input type="checkbox"/> Equipment <input type="checkbox"/> Research and Development <input type="checkbox"/> (If funding is requested for scrap tires, please complete "Project Description Summary." If no funding for scrap tires is requested, please skip to Line 9: Amount of Funding Requested)	
8: PROJECT DESCRIPTION SUMMARY	
8a: Total Number of Scrap Tires Requested Under the Grant: Tons <input type="checkbox"/> PTEs <input type="checkbox"/> <input type="text"/>	
8b: Amount of Funding Requested Under the Grant (The MDEQ will reimburse 50 percent of the cost of purchasing scrap tires. Reimbursement cannot exceed \$50 per ton.):	\$ <input type="text"/> .00
9. Amount of Funding Requested (equipment and/or research and development only):	\$ <input type="text"/> .00
10. Amount of Matching Funds Committed (equipment and/or research and development only):	\$ <input type="text"/> .00
11. Total Amount of Funding Requested (= lines 8b + 9):	\$ <input type="text"/> .00
12. Total Project Cost (= lines 10 + 11):	\$ <input type="text"/> .00
APPLICANT SIGNATORY I, the undersigned applicant, swear and affirm, under penalty of law, that the statements contained herein are true and correct and that the removal, transportation, storage, and disposal of scrap tires will be performed in accordance with the requirements of Part 169. I certify under penalty of law that the information contained on this form, to the best of my knowledge and belief, is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of a fine and imprisonment. PRINT NAME <input type="text"/> SIGNATURE <input type="text"/> DATE <input type="text"/>	
PLEASE SUBMIT COMPLETED APPLICATION AND ALL ATTACHMENTS, INCLUDING THE ORIGINAL AND TWO COPIES, TO: Scrap Tire Regulatory Program Waste and Hazardous Materials Division Michigan Department of Environmental Quality P.O. Box 30241 Lansing, Michigan 48909-7741	Overnight Mailing Address: Constitution Hall, Atrium North 525 West Allegan Street Lansing, Michigan 48933

**MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
WASTE AND HAZARDOUS MATERIALS DIVISION
SCRAP TIRE MARKET DEVELOPMENT
GRANT PROGRAM FUNDING APPLICATION FISCAL YEAR 2007-2008**

Instructions for Grant Application

1. List the applicant's name.
2. Applicant's mailing address.
3. Project location, if different than applicant's address.
4. Primary telephone number for contacting applicant.
5. Contact person for the Grant, if different from the applicant's name.
6. Corporate ID#: Governmental entities do not need to include this information.
7. Grants are available to fund three areas of market development: scrap tires used to make another product; up to 50 percent of the cost of equipment; and up to 50 percent the cost of new research and development. If you check the "Scrap Tires" box, please complete line 8 and see page 13 for required project components. If the "Equipment" or "Research and Development" box is checked, please see pages 14-15 for required application components.
8. If you are requesting funding for scrap tires, please fill out this section and please read and complete the required application components listed on page 13. If you are not requesting funding for scrap tires, skip to line 9.
 - A. Enter the amount in Passenger Tire Equivalents (PTEs) or tons of scrap tires you plan to purchase (please check PTE or tons).
 - i. PTE is a measure to take into account the various sizes and weights of tires.
1 PTE = 20 lbs.
 1. car tires = 1 PTE
 2. truck tires = 5 PTEs
 3. oversize tires = 15 PTEs
 - B. Enter the total amount required to purchase the scrap tires. The MDEQ will reimburse the cost of purchasing scrap tires but shall not exceed a reimbursed cost of \$50 per ton.
9. Enter the amount requested for either equipment or research and development. Please remember this funding is available for up to 50 percent of the cost of equipment or research and development and requires a 50 percent CASH match.
10. Enter the total amount of matching funds (should equal or exceed amount entered in line 9).
11. Enter the total amounts requested for scrap tires, equipment, and/or research and development. This is your total amount requested from the MDEQ.

To be considered complete, an application must include all of the components listed. Incomplete responses may result in a determination that the application is incomplete and, therefore, not eligible for funding. **Applicant signatory on page 9 of the Grant application MUST be signed.**

- If funding is requested ONLY for scrap tires, pages 9 and 11-13 of the application must be completed.
- If funding is requested ONLY for equipment and/or research and development, pages 9, 11-12, and 14-15 must be completed.
- If funding is requested for scrap tires AND equipment and/or research and development, pages 9 and 11-15 must be completed.

Required Application Components - All Applicants Must Complete

1. Project Timetable

- A. Projects must commence before September 30, 2008. Typically, projects must be completed within 18 months of start date.
- B. Outline all the tasks needed to implement the project. Submission of quarterly and final progress reports and submission of reimbursement requests to the MDEQ should be included as a task.
 - i. For each task, provide the following information (Attach additional pages as necessary):
 - 1. Name of the task.
 - 2. Beginning date.
 - 3. End date.
 - 4. Group or person responsible for completion of the task.
 - 5. Location of the task.
- C. Describe how you will show your product/process is successful. Include benchmark goals.

2. Economic Feasibility

- A. Provide a feasibility study or sufficient information supporting the proposed project's economic viability.
- B. Provide a description of the business and accounting plans for the proposed project. This must identify the methods used to track the funding and other business aspects of the proposed project.
- C. Provide a discussion on the benefit of state funding to carry out the proposed project. As part of this discussion, identify what other sources of funding the applicant may have available to fund this project and discuss what efforts would be taken to implement this project if state funds are not awarded.
- D. Provide the final "cost per tire" by dividing the total Grant amount requested by the number of scrap tires that will be used in the process.

3. Financial Information

- A. All private for-profit applicants must submit the following:
 - i. History and description of the applicant, including all of the following:
 - 1. Ownership of the company.
 - 2. Any affiliate, parent, or subsidiary relationships.
 - 3. A description of the product manufactured by the applicant.
 - ii. An organization chart for the applicant's management team and résumés of key management personnel.
 - iii. Audited historical financial statements for the applicant, including balance sheets and income statements for the three most recent complete years of operations. If audited financial statements are not available, explain why and provide historical financial statements certified as true and accurate by an authorized representative of the applicant.
 - iv. Current financial statements for the applicant, including balance sheets and income statements, dated within 90 days of application submission and certified as true and accurate by an authorized representative of the applicant.

- v. The name and address of the bank handling the applicant's business accounts. The name and telephone number of the bank officer handling the applicant's accounts should also be provided.
- vi. If the applicant has been in operation for less than one year OR if the applicant is requesting Grant funding for the manufacture of a product new to the company, the following information must also be submitted:
 - 1. Two-year projected balance sheets and income statements. The information must include a description of, and the basis for, all assumptions made in creating the statements. Sales projections must be substantiated with bids, purchase orders, purchase order quotes, sales contracts, or other similar types of evidence.
- vii. The business plan for the company.

Required Application Components - Scrap Tires

1. Executive Summary

- A. Include an overview of the project including the following:
 - i. Name and location of scrap tire processor or other generator of scrap tires.
 - ii. The end use of the scrap tires.
 - iii. How the project will increase the market for scrap tires.

2. Project Description

- A. Provide a Project Description that identifies the project goals and what the project will accomplish (describe in measurable terms and give specific tonnages or PTEs). Clearly indicate how scrap tire use will increase as a result of the Grant. Include a detailed discussion of the methods and technology to be used to implement the project.
- B. Provide information on the applicant's background that demonstrates the applicant's ability to carry out the project in terms of the history of the applicant's involvement with the scrap tire industry.
- C. Describe the process to be used for measuring and reviewing the progress and success of the project. Include the specific types of data collection or project measurement methods that will be used to determine and track project accomplishments. Successful applicants will be required to provide these project measures in quarterly reports and a final report to the MDEQ.
- D. Provide a detailed narrative response that demonstrates the benefit of the proposed project to increasing market demand for scrap tires. This narrative should include a discussion of existing similar products and how use of scrap tires will help reduce the need or use of virgin materials or, at a minimum, help to create sustainable markets for scrap tires.
- E. Certify the applicant's commitment to:
 - i. Comply with all applicable federal, state, and local laws, rules, ordinances, and regulations and obtain all applicable permits and licenses.
 - ii. Fund project costs exceeding the Grant budget and cost overruns necessary to carry out the project.
 - iii. Ensure that the applicant's solid waste, including all residues generated by the project will be disposed of pursuant to the provisions of Part 169 and Part 115, Solid Waste Management, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, and all other applicable federal, state, and local laws.

3. Budget Information (See Attachment A - Grant Budget Form)

- A. All costs identified must be eligible costs. Expenditures must be made during the project period as identified in the Project Timetable. All figures should be rounded to the nearest dollar.
- B. List the amount of scrap tires to be purchased in tons or PTEs, and the processor(s) or generator from whom the scrap tires will be purchased.
- C. Expenditures must be made during the project period as identified in the Project Timetable.
- D. The only eligible costs are for scrap tires. List the tonnage of scrap tires to be purchased at applicant's expense, the amount of the MDEQ Grant that will be reimbursed to the applicant, and the processor(s) or generator(s) from whom the scrap tires will be purchased.

Required Application Components - Equipment and/or Research and Development

1. Executive Summary

- A. Provide an overview of the proposal including:
 - i. A brief statement about how the project works.
 - ii. Why the project should be funded.
 - iii. Any benchmarks that are in place to determine if the project is successful.
 - iv. An overview of the 50 percent match funding sources.

2. Project Description

- A. Provide a Project Description that identifies the project goals and what the project will accomplish. Provide a detailed discussion of the methods and technology to be used to implement the project. The discussion should include the following:
 - i. A complete description of the entire operations related to implementing the project. The discussion should not be limited to only that part of the operations to be funded by the Grant. For example, describe the entire market development operation, including all aspects of collection, processing, and marketing. Include any in-kind services that may be used.
 - ii. If the proposed project is an expansion or an addition to the applicant's current operations/activities, include a description of the current operations/activities and how the proposed project will fit into the current operations/activities.
 - 1. Provide a detailed sketch or diagram that illustrates existing processes or related equipment, the new process, and process modifications and/or equipment proposed as part of your project.
- B. Certify the applicant's commitment to:
 - i. Comply with all applicable federal, state, and local laws, rules, ordinances, and regulations and to obtain all applicable permits and licenses.
 - ii. Fund the match required for the project (must be cash).
 - iii. Fund project costs exceeding the Grant budget for the project and cost overruns necessary to carry out the project.
 - iv. Ensure that the applicant's solid waste, including all residues generated by the project will be disposed of pursuant to the provisions of Part 169 and Part 115, Solid Waste Management, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, and all other applicable federal, state, and local laws.
- C. Demonstrate the applicant's ability to carry out the project and discuss the history of the applicant's involvement with the scrap tire industry.
- D. Describe the process to be used for measuring the progress and success of the project. Include the specific types of data collection or project measurement methods that will be used to determine and track project accomplishments. Successful applicants will be required to provide these project measures in quarterly reports and a final report.
- E. Provide a detailed narrative response that demonstrates the benefit of the proposed project to increasing market demand for scrap tires. This narrative should include a discussion of existing similar products and how use of scrap tires will help reduce the need or use of virgin materials or, at a minimum, help to create sustainable markets for scrap tires.
- F. Discuss the potential for this project to be replicated in other areas or serve as a model to others. Identify target groups that could implement your project results. Include an estimate of the quantity of materials that could be utilized by these target groups and a detailed discussion of the rationale behind the estimate.

G. Provide information on the number of jobs to be created by the proposed project.

Equipment funding requests must also include the following:

- H. Document that the technology to be utilized is beyond the research stage, or what previous research has been completed, and that a demonstration has indicated the proposed project is technically feasible. Indicate where and when these demonstrations have occurred and include appropriate descriptive information.
- I. Provide estimates of the annual amount of finished end-product to be manufactured. Indicate the method and complete calculations used to estimate the amount of finished end-products produced.
- J. Provide a comprehensive marketing plan that includes all of the following information and documents:
 - i. Market position statement. Identify the market segment that will use the product.
 - ii. Description of marketing channels.
 - iii. Price schedule of the product line to be marketed.
 - iv. Sales forecast based on the marketing plan.
 - v. Mechanism to determine and track sales performance.
 - vi. Description of marketing budget, including advertising and promotional cost, written sales program, compensation, incentives, and terms to the sales force.
 - vii. List of competitors selling the same or similar product to market segment.
 - viii. Analysis of the competitors' products compared to proposed project.
- K. Provide documentation that the applicant has viable markets for the proposed product produced as a result of the Grant.

Research and Development funding requests must also include the following:

- L. Describe and document the willingness and commitment of entities within the target groups and others to implement the full or pilot scale project, based upon the anticipated outcome of the proposed project.
- M. Describe how you will promote full or pilot-scale implementation of this project among the target groups or others. Because research and development results must be widely available to others, activities and tasks demonstrating effective technology transfer activities will influence the evolution of the project.

3. Budget Information (See Attachment A - Grant Budget Form)

- A. All costs identified must be eligible costs (either for equipment or research and development). Expenditures must be made during the project period as identified in the Project Timetable. All figures should be rounded to the nearest dollar.
- B. All Grants to fund equipment and/or research and development require an applicant match equal to 50 percent of the total project budget. The only eligible costs are for equipment and/or research and development. In-kind services are not allowed as part of the match.
- C. Expenditures must be made during the project period as identified in the Project Timetable.



ATTACHMENT A
SCRAP TIRE MARKET DEVELOPMENT GRANT PROGRAM
GRANT BUDGET - FISCAL YEAR 2007-2008

Applicant Name: _____

Line Item Number	Quantity	Budget Line Item/ Description of Item	Unit Price	Budget Line Item Amount	MDEQ Use Only

A. BUDGET TOTAL _____ \$ _____

B. Matching Fund Share of Budget Total
50 percent from Table \$ _____

C. State Share of Budget Total
50 percent from Table \$ _____

Budget Total (A) should equal the Matching Fund Share (B) plus the State Share (C)

Note: Only eligible items can be included in the budget.